

HOUSE BILL NO. 207

INTRODUCED BY J. MCKENNEY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING FOR PURPOSES OF THE UNIFORM TOD SECURITY REGISTRATION LAWS THE DEFINITION OF "SECURITY ACCOUNT" TO INCLUDE CASH EQUIVALENTS AND INVESTMENT MANAGEMENT AND CUSTODY ACCOUNTS HELD IN TRUST; AMENDING SECTION 72-6-301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 72-6-301, MCA, is amended to read:

"72-6-301. Definitions. As used in this part, the following definitions apply:

(1) "Beneficiary form" means a registration of a security that indicates the present owner of the security and the intention of the owner regarding the person who will become the owner of the security upon the death of the owner.

(2) "Register", including its derivatives, means to issue a certificate showing the ownership of a certificated security or, in the case of an uncertificated security, to initiate or transfer an account showing ownership of securities.

(3) "Registering entity" means a person who originates or transfers a security title by registration and includes a broker maintaining security accounts for customers and a transfer agent or other person acting for or as an issuer of securities.

(4) "Security" means a share, participation, or other interest in property, in a business, or in an obligation of an enterprise or other issuer and includes a certificated security, an uncertificated security, and a security account.

(5) "Security account" means:

(a) a reinvestment account associated with a security, a securities account with a broker, a cash balance in a brokerage account, cash, cash equivalents, interest, earnings, or dividends earned or declared on a security in an account, a reinvestment account, or a brokerage account, whether or not credited to the account before the owner's death; ~~or~~

(b) a cash balance or other property held for or due to the owner of a security as a replacement for or

1 product of an account security, whether or not credited to the account before the owner's death; or
2 (c) an investment management or custody account with a trust company or trust division of a bank with
3 trust powers, including the securities in the account, a cash balance in the account, and cash, cash equivalents,
4 interest, earnings, or dividends earned or declared on a security in the account, whether or not credited to the
5 account before the owner's death."

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7 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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